

Message Text

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C O N F I D E N T I A L MOSCOW 1087

E.O. 11652: GDS
TAGS: EGEN, EEWT, GR, UR
SUBJECT: SOVIET-GREEK COMMERCIAL RELATIONS

REF: 76 ATHENS 11797

SUMMARY: GREEK EMBASSY COMMERCIAL COUNSELOR ADVISES THAT
CURRENT TALKS IN ATHENS HAVE NOT YET PRODUCED AGREEMENT ON
"LONG TERM AGREEMENT" (PROBABLY THREE/YEAR DURATION) BETWEEN GREECE
AND USSR. SOVIETS HAVE "INFORMALLY" VOICED WORRIES ABOUT
PROSPECTIVE FULL GREEK MEMBERSHIP IN COMMON MARKET. SPARE
PARTS FOR SOVIET EXPORTS ARE CAUSING CUSTOMARY PROBLEMS
FOR GREECE. END SUMMARY.

1. THEODORE THEOFILOPOULOS, RECENTLY ARRIVED COMMERCIAL
COUNSELOR IN GREEK EMBASSY, PAID COURTESY CALL ON E/C
COUNSELOR JANUARY 24 AND IN COURSE OF CONVERSATION PROVIDED
THE FOLLOWING INFORMATION:

-- A TWO-MAN SOVIET DELEGATION FROM THE MINISTRY OF FOREIGN
TRADE HAS BEEN IN ATHENS DISCUSSING THE PROSPECTIVE LONG
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TERM TRADE AGREEMENT (REFTEL, PARA 7) BUT NO CONCLUSIONS HAVE
YET BEEN REACHED; ONE REASON FOR THE DELAY IS DISAGREEMENT ON
GREEK AGRICULTURAL EXPORTS; IT IS HOPED THAT THERE CAN BE A
SIGNATURE SOON IN ATHENS AT THE MINISTERIAL OR DEPUTY MIN-
ISTERIAL LEVEL.

-- THE DURATION OF THE AGREEMENT HAS NOT YET BEEN RESOLVED,

BUT IS EXPECTED TO BE FOR THREE YEARS.

-- THEOFILOPOULOS IS NOT SURE WHAT TO EXPECT FROM THE SOVIET-INSPIRED SWITCH FROM A CLEARING AGREEMENT TO FREE CURRENCY EXCHANGE. IN 1976 THE USSR APPARENTLY RAN ABOUT A \$12 MILLION SURPLUS (SEE COMMENT) WHICH COULD BECOME HIGHER DUE TO EASIER CONDITIONS OF THE GREEK MARKET.

-- GREECE HAS BEEN EXPERIENCING PROBLEMS WITH THE SERVICING OF SOVIET EXPORTS; FOR EXAMPLE, ONE OF THE FOUR SOVIET HYDROFOILS PURCHASED FOR USE OF TOURISTS IN THE GREEK AEGEAN ISLANDS BROKE DOWN IN HIGH SEASON AND COULD NOT BE REPAIRED. IT WAS A "COMMERCIAL CATASTROPHE." NEVERTHELESS, GREECE IS BUYING MORE SOVIET-MADE ZHIGULI AUTOMOBILES NOW THAN BEFORE.

-- DURING A PAUSE IN SOME RECENT NEGOTIATIONS IN THE SOVIET MINISTRY OF FOREIGN TRADE, SOVIET DEPUTY MINISTER MANZHULO EXPRESSED CONSIDERABLE CONCERN ABOUT PROSPECTIVE FULL MEMBERSHIP BY GREECE IN THE COMMON MARKET. ALTHOUGH HE HAD COUCHED HIS REMARKS ON THE SUBJECT AS "PERSONAL", MANZHULO WAS NOT REASSURED BY THEOFILOPOULOS' RESPONSE THAT USSR WOULD HAVE SAME CHANCES AS US AND JAPAN ON GREEK MARKET EVEN IF GREECE ATTAINS FULL MEMBERSHIP.

-- GREECE IS RECEIVING TWO MILLION TONS OF OIL ANNUALLY FROM THE USSR; HE KNOWS OF NO DECISION ON 1977 PRICING OF THIS OIL.

2. BIOGRAPHIC. THEOFILOPOULOS SERVED IN THE GREEK EMBASSY IN WASHINGTON 1964-69 AND HAD WARM MEMORIES OF AND HIGH PRAISE
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FOR THE US, CONTRASTING IT TO WHAT HE SAID IS THE COMMON PERCEPTION ABROAD. HE SERVED THEREAFTER IN BELGRADE AND CAIRO BEFORE COMING TO THE USSR IN MID-1976. AFTER THREE MONTHS IN A MOSCOW HOTEL, HE RETURNED TO ATHENS AFTER SERVING NOTICE THAT HE WOULD NOT RETURN TO USSR UNTIL LIVING SPACE WAS PROVIDED. HE WAS GIVEN AN APARTMENT AFTER THIS DEVELOPMENT AND HAS TAKEN UP QUARTERS FOR WHAT HE HOPES WILL BE NO MORE THAN A TWO-YEAR ASSIGNMENT.

3. COMMENT: SOVIET TRADE STATISTICS FOR 1974 AND PARTICULARLY FOR 1975 SHOW THE USSR RUNNING A SUBSTANTIAL SURPLUS WITH GREECE. IN 1975 THE USSR DELIVERED 138 MILLION RUBLES (ABOUT \$184 MILLION U.S.) OF PRODUCTS TO GREECE AND IMPORTED ONLY 56.3 MILLION RUBLES (ABOUT \$75 MILLION U.S.), IN RETURN, ACCORDING TO THE SOVIET FOREIGN TRADE STATISTICAL HANDBOOK. TASS ON DECEMBER 27, 1976, REPORTED NINE MONTHS 1976 SOVIET EXPORTS TO GREECE AT 119.4 MILLION RUBLES AGAINST IMPORTS OF 46.7 MILLION, A TRADE SURPLUS OF NEARLY \$100 MILLION U.S. BY SOVIET COUNT AT THAT POINT. E/C COUNSELOR

MENTIONED THESE FIGURES TO THEOFILOPOULOS, BUT LATTER
STUCK TO HIS OWN CONCLUSION THAT BILATERAL TRADE WAS NEARLY
IN BALANCE FOR THE YEAR.
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